



189680

526 S. Church St.
Charlotte, N. C. 28202

Carol E. Shrum, Vice President

Duke Energy Carolinas
EC12K/P.O. Box 1006
Charlotte, N. C. 28201-1006

704 382-9826

704 382-4671 fax

2006-268-E

November 28, 2007

The Honorable Charles Terreni
Chief Clerk and Administrator
Public Service Commission of South Carolina
Post Office Drawer 11649
101 Executive Center Drive, Suite 100
Columbia, South Carolina 29211

Dear Mr. Terreni:

Enclosed is the quarterly report of Duke Energy Carolinas, LLC
for the twelve months ending September 30, 2007. Please feel free
to call me at (704) 382-9826 or Veronica Williams at (704) 382-
8071.

Yours truly,

Carol E. Shrum
Rates & Regulatory Accounting

Enclosure

CES:jr

cc: Mr. Dukes Scott
Executive Director
Office of Regulatory Staff

RECEIVED
2007 NOV 29 AM 10:05
SC PUBLIC SERVICE
COMMISSION

CERTIFICATION

(Certification must be signed by the Chief Executive Officer and the Chief Financial Officer)

I, Dwight L. Jacobs, state and attest, under penalty of perjury, that the attached South Carolina Quarterly Report is filed on behalf of Duke Energy Carolinas, LLC, as required by the Public Service Commission of South Carolina; that I have reviewed said report and, in the exercise of due diligence, have made reasonable inquiry into the accuracy of the information and representations provided therein; and that, to the best of my knowledge, information, and belief, all information contained therein is accurate and true and contains no false, fictitious, fraudulent or misleading statements; that no material information or fact has been knowingly omitted or misstated therein, and that all information contained therein has been prepared and presented in accordance with all applicable South Carolina general statutes, Commission rules and regulations, and applicable Commission Orders. Any violation of this Certification may result in the Commission initiating a formal earnings review proceeding.

D. Jacobs
Signature of Person Making Verification

Dwight L. Jacobs
Typed or Printed Name of Person Signing

VP, Franchised Electric and Gas Accounting
Title

11/26/07
Date Signed

Ellen T. Ruff
Signature of President

Ellen T. Ruff
Typed or Printed Name of Person Signing

President, Duke Energy Carolinas
Title

11/26/07
Date Signed

Subscribed and sworn to before me this 26th day of November, 2007.

Brenda M. Atchley
Notary Public

My Commission Expires: December 4, 2009.

Line No.	Description	Total Company Per Books (Col. 1)	Allocation Factors	South Carolina Retail		
				Per Books (Col. 2)	Accounting Adis (a) (Col. 3)	As Adjusted (Col. 4)
1	Electric operating revenue	\$5,670,855		\$1,358,598	(\$1,373)	\$1,357,225
	Electric operating expenses:					
	Operation and maintenance:					
2	Fuel used in electric generation	1,489,942		374,530	(246)	374,284
3	Purchased power and net interchange	148,735		22,903	(16)	22,887
4	Wages, benefits, materials, etc.	1,455,392		367,794	500	368,294
5	Depreciation and amortization	900,926		173,115	4,282	177,397
6	General taxes	310,710		65,948	4,173	70,121
7	Interest on customer deposits	3,530		432	0	432
8	Income taxes	373,468		97,229	(4,912)	92,317
9	Amortization of investment tax credit	(8,490)		(2,174)	7	(2,167)
10	Total electric operating expenses	4,674,213		1,099,777	3,788	1,103,565
11	Operating income	\$996,642		258,821	(5,161)	253,660
12	Add: Customer growth adjustment				2,380	2,380
13	Income for return			\$258,821	(\$2,781)	\$256,040
14	Original cost rate base (b)			\$2,708,322	\$90,210	\$2,798,532
15	Rate of return on South Carolina retail rate base			9.56%		9.15%

Notes: (a) From Page 3, "Total adjustments" line.

(b) From Page 4, Line 11.

Line No.	Description	South Carolina Retail									
		Total Company Capitalization September 30, 2007				Per Book Embedded		Pro forma Embedded			
		Amount (Col. 1)	Ratio (Col. 2)	Retail Rate Base (Col. 3)	Cost/ Return % (Col. 4)	Operating Income (Col. 5)	Retail Rate Base (Col. 6)	Cost/ Return % (Col. 7)	Operating Income (Col. 8)		
1	Long-term debt	\$4,967,242	43.88%	\$1,188,412	6.10%	\$72,493	\$1,227,996	6.10%	\$74,908		
2	Preferred stock	0	0.00%	0	0.00%	0	0	0.00%	0		
3	Members' equity	6,352,817	56.12%	1,519,910	12.26%	186,328	1,570,536	11.53%	181,132		
4	Total	\$11,320,059	100.00%	\$2,708,322	(a)	\$258,821	(b)	(e) (f)	\$256,040	(d)	

Notes:

(a) From Page 4, Line 11, Column 2

(b) From Page 1, Line 13, Column 2.

(c) From Page 4, Line 11, Column 4.

(d) From Page 1, Line 13, Column 4.

(e) If adjusted for weather, this rate would be 11.22%.

(f) Excludes pre-tax non-firm wholesale sales profits for the total system of approximately \$58 million for the 12 mos ended 09/30/07. A net of tax South Carolina Retail allocation of profits would amount to approximately \$10 million.

Line No.	Description	Electric Operating Revenue (Col. 1)	Fuel Used in Electric Generation (Col. 2)	Purchased Power and Net Interchange (Col. 3)	Wages Benefits Materials Etc. (Col. 4)	Depreciation and Amortization (Col. 5)	General Taxes (Col. 6)	Interest on Customer Deposits (Col. 7)	Income Taxes (Col. 8)	Amortization of ITC (Col. 9)	Net Operating Income (Col. 10)
1	To annualize depreciation on year-end plant					\$1,274			(\$501)		(\$773)
2	To annualize wage rate increases				\$4,216		\$582		(1,885)		(2,913)
3	To annualize property taxes on year end plant						3,156		(1,240)		(1,916)
4	To reflect CWIP closings to plant					3,463	690		(1,632)		(2,521)
5	To adjust income taxes to reflect interest synchronization								(961)		961
6	To exclude Greenwood operations	(\$1,373)	(\$246)	(\$16)	(3,716)	(455)	(255)	\$0	1,307	\$7	2,001
7	Total adjustments	(\$1,373)	(\$246)	(\$16)	\$500	\$4,282	\$4,173	\$0	(\$4,912)	\$7	(\$5,161)

Line No.	Description	Total Company Per Books (Col. 1)	Allocation Factors	South Carolina Retail		
				Per Books (Col. 2)	Accounting Adjustments (Col. 3)	As Adjusted (Col. 4)
1	Electric plant in service	\$21,541,690		\$5,542,948	\$103,484	\$5,646,432
2	Less: Accumulated depreciation and amortization	(9,494,467)		(2,464,582)	(4,737)	(2,469,319)
3	Net electric plant	12,047,223		3,078,366	98,747	3,177,113
4	Add: Materials and supplies	588,614		156,617	(4,411)	152,206
5	Working capital investment	744,873		186,012	0	186,012
6	Plant held for future use	4,829	31.9285%	1,542	0	1,542
7	Less: Accumulated deferred taxes	(1,805,535)		(569,560)	0	(569,560)
8	Operating reserves	(512,965)		(132,365)	0	(132,365)
9	Customer deposits	(51,218)		(12,290)	0	(12,290)
10	Greenwood				(4,126)	(4,126)
11	Total original cost rate base	\$11,015,821		\$2,708,322	\$90,210	\$2,798,532

Line No.	Description	Total Company Per Books (Col. 1)	Allocation Factors	South Carolina Retail		
				Per Books (Col. 2)	Accounting Adjustments (Col. 3)	As Adjusted (Col. 4)
1	Production	\$10,530,432		\$2,740,927	\$54,921	\$2,795,848
2	Transmission	2,061,953	19.8603%	409,510	10,950	420,460
3	Distribution (b)	7,364,561	26.7799%	1,972,222	33,199	2,005,421
4	General	543,805	25.7062%	139,792	4,403	144,195
5	Intangible	272,077	25.2759%	68,770	11	68,781
6	Subtotal	20,772,828		5,331,221	103,484	5,434,705
7	Nuclear fuel	768,862	27.5377%	211,727		211,727
8	Total electric plant in service	<u>\$21,541,690 (a)</u>		<u>\$5,542,948</u>	<u>\$103,484</u>	<u>\$5,646,432</u>

Notes: (a) Excludes electric plant held for future use of.....
and electric plant acquisition adjustment of.....

\$4,829
\$284

(b) The accounting adjustment in Col. 3 represents
non-growth related additions to distribution plant.

Line No.	Description	Total Company Per Books (Col. 1)	Allocation Factors	South Carolina Retail		
				Per Books (Col. 2)	Accounting Adjustments (Col. 3)	As Adjusted (Col. 4)
1	Production	\$4,655,713		\$1,217,940	\$1,684	\$1,219,624
2	Transmission	991,941	19.7862%	196,267	549	196,816
3	Distribution	3,077,701		844,427	2,476	846,903
4	General	47,657	25.5904%	12,196	26	12,222
5	Intangible	206,496	25.1551%	51,944	2	51,946
6	Subtotal	8,979,508		2,322,774	4,737	2,327,511
7	Nuclear fuel	514,959	27.5377%	141,808		141,808
8	Total accum depreciation and amortization	<u>\$9,494,467</u> (a)		<u>\$2,464,582</u>	<u>\$4,737</u>	<u>\$2,469,319</u>

The annual composite rates for computing depreciation (straight-line method) are shown below.

9	Steam production plant	4.20%
10	Nuclear production plant (excluding nuclear decommissioning)	1.97%
11	Hydro production plant	2.74%
12	Combustion turbines	3.09%
	Transmission plant:	
13	Right-of-way	1.41%
14	Other	2.81%
15	Distribution plant	3.11%
16	General plant	2.38% - 11.88%
17	Intangible plant	20.00%

Note: (a) Excludes amortization of electric plant acquisition adjustment of.....

\$157

Line No.	Description	Total Company Per Books (Col. 1)	Allocation Factors	South Carolina Retail		
				Per Books (Col. 2)	Accounting Adjustments (Col. 3)	As Adjusted (Col. 4)
	Fuel stock:				(a) & (b)	
1	Coal	\$224,415	27.5377%	\$61,799	(\$4,969)	\$56,830
2	Oil	<u>25,417</u>	27.5377%	<u>6,999</u>	<u>558</u>	<u>7,557</u>
3	Total fuel stock	249,832		68,798	(4,411)	64,387
4	Other electric materials and supplies and stores clearing	<u>338,782</u>	25.9221%	<u>87,819</u>	<u>0</u>	<u>87,819</u>
5	Total materials and supplies	<u>\$588,614</u>		<u>\$156,617</u>	<u>(\$4,411)</u>	<u>\$152,206</u>

Notes: (a) Adjustment to per book coal inventory balance to reflect target inventory level.

Coal inventory target level (in tons)	2,867,440		
Price per ton - coal	<u>\$71.97</u>		
Total company pro forma inventory	<u>\$206,370</u>	27.5377%	\$56,830
Per book coal inventory			<u>61,799</u>
Coal adjustment			<u>(\$4,969)</u>

(b) Adjustment to per book oil inventory balance to reflect target inventory level.

Oil inventory target level (in gallons)	19,742,000		
Price per gallon - oil	<u>\$1.39</u>		
Total company pro forma inventory	<u>\$27,441</u>	27.5377%	\$7,557
Per book oil inventory			<u>6,999</u>
Oil adjustment			<u>\$558</u>

Line No.	Description	Total Company Per Books (Col. 1)	Allocation Factors	South Carolina Retail		
				Per Books (Col. 2)	Accounting Adjustments (Col. 3)	As Adjusted (Col. 4)
1	Twelve months operating and maintenance expenses, exclusive of purchased power and nuclear fuel expense	<u>\$2,832,154</u>		<u>\$711,438</u>		<u>\$711,438</u>
2	1/8 of O&M expenses on line 1	\$354,019		\$88,930		\$88,930
3	Less: Average taxes accrued	<u>(144,216)</u>		<u>(34,249)</u>		<u>(34,249)</u>
4	Subtotal	209,803		54,681	\$0	54,681
5	Required bank balances	949	25.8039%	245		245
6	Bond reacquisition premiums	103,032		19,358		19,358
7	Prepayments	431,089	25.9177%	111,728		111,728
8	Total working capital investment	<u>\$744,873</u>		<u>\$186,012</u>	<u>\$0</u>	<u>\$186,012</u>

Line No.	Description	Total Company Per Books (Col. 1)	Allocation Factors	South Carolina Retail		
				Per Books (Col. 2)	Accounting Adjustments (Col. 3)	As Adjusted (Col. 4)
1	Production	\$580,874	25.9261%	\$150,598	\$0	\$150,598
2	Transmission	54,970	19.8603%	10,917	0	10,917
3	Distribution	105,671	26.7799%	28,299	0	28,299
4	General	22,382	25.7062%	5,754	0	5,754
5	Intangible	94,663	25.2759%	23,927	0	23,927
6	Total construction work in progress	<u>\$858,560</u>		<u>\$219,495</u>	<u>\$0</u>	<u>\$219,495</u>

Line No.	Description	
	12 Months Ended September 30, 2007	
1	SEC Fixed Charges Coverage	4.15
2	Earnings per Share	\$1.30

Line No.	Item	Total Company	Wholesale Jurisdiction	% of Total	N.C. Retail	% of Total	S.C. Retail	% of Total
1	<u>Operating Revenues (\$000s)</u>							
2	Residential	\$2,101,032			\$1,616,446	76.9358%	\$484,586	23.0642%
3	Commercial	\$1,714,500			\$1,342,945	78.3286%	\$371,555	21.6714%
4	Industrial	\$1,080,587			\$661,177	61.1868%	\$419,410	38.8132%
5	Public Street & Hghwy Lighting	\$31,742			\$27,066	85.2674%	\$4,676	14.7326%
6	Interdepartmental	\$0			\$0	0.0000%	\$0	0.0000%
7	Sales for Resale:							
8	Special Contract	\$329,742	\$232,568	70.5304%	\$70,045	21.2424%	\$27,129	8.2272%
9	Other	\$70,286	\$70,286	100.0000%				
10	Total Rev from Sales of Electr	\$5,327,890	\$302,855	5.6843%	\$3,717,678	69.7777%	\$1,307,357	24.5380%
11	<u>Kilowatthour Sales (000s)</u>							
12	Residential	26,384,214			20,005,863	75.8251%	6,378,351	24.1749%
13	Commercial	26,541,405			20,805,614	78.3893%	5,735,791	21.6107%
14	Industrial	23,825,934			14,064,291	59.0293%	9,761,643	40.9707%
15	Public Street & Hghwy Lighting	273,774			231,884	84.6992%	41,890	15.3008%
16	Interdepartmental	0			0	0.0000%	0	0.0000%
17	Sales for Resale:							
18	Special Contract	6,313,489	4,452,929	70.5304%	1,341,136	21.2424%	519,424	8.2272%
19	Other	1,607,651	1,607,651	100.0000%				
20	Total KWH Sales	84,946,467	6,060,580	7.1346%	56,448,788	66.4522%	22,437,099	26.4132%
21	<u>Revenue Per KWH Sold (Cents)</u>							
22	Residential	7.96			8.08		7.60	
23	Commercial	6.46			6.45		6.48	
24	Industrial	4.54			4.70		4.30	
25	Public Street & Hghwy Lighting	11.59			11.67		11.16	
26	Interdepartmental	0.00			0.00		0.00	
27	Sales for Resale:							
28	Special Contract	5.22	5.22		5.22		5.22	
29	Other	4.37	4.37					
30	Total Revenue per KWH Sold	6.27	5.00		6.59		5.83	